

*C. Tax Considerations*

Treasury floating rate notes are subject to specific tax rules provided by Treasury regulations issued under section 1275(d) of the Internal Revenue Code of 1986, as amended.

*D. Indexing Issues*

The Bureau of the Fiscal Service publishes the High Rate immediately following a 13-week bill auction as part of the auction results. The 13-week bill is generally auctioned once per week. Treasury retains the flexibility to increase or decrease the frequency of 13-week bill auctions, which would affect the frequency of index rate resets. The High Rate is subject to various interest rate and market environments over which Treasury has no control. For a discussion of actions that Treasury would take in the event auctions of 13-week bills are discontinued or delayed, see appendix B, section I, paragraph C.4 of this part.

[69 FR 45202, July 28, 2004, as amended at 78 FR 46428 and 46444, July 31, 2013]

#### APPENDIX D TO PART 356—DESCRIPTION OF THE INDEXES

##### I. CONSUMER PRICE INDEX

The Consumer Price Index (“CPI”) for purposes of inflation-protected securities is the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers. It is published monthly by the Bureau of Labor Statistics (BLS), a bureau within the Department of Labor. The CPI is a measure of the average change in consumer prices over time in a fixed market basket of goods and services. This market basket includes food, clothing, shelter, fuels, transportation, charges for doctors’ and dentists’ services, and drugs.

In calculating the index, price changes for the various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The BLS periodically updates the contents of the market basket of goods and services, and the weights assigned to the various items, to take into account changes in consumer expenditure patterns.

The CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100. For example, if the CPI for the 1982–84 reference period is 100.0, an increase of 16.5 percent from that period would be shown as 116.5. The CPI for a particular month is released and published during the following month. From time to time, the CPI is rebased to a more recent base reference period. We provide the base reference period for a particular inflation-protected security on the auction announcement for that security.

Further details about the CPI may be obtained by contacting the BLS.

##### II. FLOATING RATE NOTE INDEX

The floating rate note index is the 13-week Treasury bill auction High Rate (stop out rate), and converted to the simple-interest money market yield computed on an actual/360 basis.

[69 FR 45202, July 28, 2004, as amended at 78 FR 46444, July 31, 2013]

## PART 357—REGULATIONS GOVERNING BOOK-ENTRY TREASURY BONDS, NOTES AND BILLS HELD IN TREASURY/RESERVE AUTOMATED DEBT ENTRY SYSTEM (TRADES) AND LEGACY TREASURY DIRECT

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